

2018-2019 Performance Evaluation Report
Lincoln Telecommunications/Cable Television Advisory Board

October 17, 2019

Lincoln Telecommunications/Cable Television Advisory Board

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Lincoln Telecommunications/Cable Advisory Board

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I. Executive Summary

As authorized by the City of Lincoln Cable TV franchise agreements, the Telecommunications/Cable TV Advisory Board conducted a performance evaluation of the City's cable TV franchisees: Charter/Spectrum, Windstream/Kinetic, and Allo. The evaluation covered both cable TV performance as well as Broadband service performance. The process involved asking all three questions developed by a Performance Evaluation subcommittee, a scientifically accurate telephone survey conducted by CBG Communications, an online survey conducted by CBG Communications, examination of comments/complaints received from citizens via email or paper mail, and a public hearing.

Overall, the City's franchises were deemed to have significantly better cable TV performance than in the last evaluation which was conducted in 2014. Lincoln's cable TV and Broadband subscribers are, in general, satisfied or very satisfied with their service. Windstream/Kinetic and Allo survey respondents indicated 88% and 93% satisfaction and 10% and 6% dissatisfaction, respectively. Charter/Spectrum respondents indicated 69% satisfaction and 29% dissatisfaction. Concerns were expressed about the high cost of cable TV and the desire to have a la carte channel selection.

This evaluation was the first to examine Broadband. Seventy-five percent of respondents indicated satisfaction with the choice of Internet providers and Internet speed. A large majority, 83%, were satisfied with Internet reliability. The City is doing well, overall.

All franchisees failed to meet one or both of the Federal Communications Commission standards on customer service phone calls. Charter/Spectrum and Windstream/Kinetic failed to meet the standard that requires that customers received a busy signal for no more than 3% of their calls. All three failed to meet the standard that phone calls be answered, including hold and transfer time, within 30 seconds 90% of the time.

The PEG (Public, Education, and Government) Access channels were shown to be very important to Lincoln's citizens and watched at a rate higher than many commercial channels. While 82% of Allo respondents and 69% of Windstream/Kinetic respondents were aware of the PEG channels, only 45% of Charter/Spectrum respondents showed such awareness.

Reliance on Internet video streaming is increasing. One result is "cable cutting" wherein customers cancel or don't subscribe to cable TV for their viewing. Here in Lincoln, a significant number of respondents indicated interest in cable cutting. This is in concert with the national trend showing a loss of 2% of cable TV customers every year. The implication is the loss of value and relevance in cable TV franchises as a means to manage access to City right-of-way and to give the City some leverage in addressing service and cost issues with franchisees.

The Board found that the relationship between franchisees and the City seemed good. No concerns were expressed by the franchisee. However, the Board, as in the previous evaluation, would like to see better reporting about customer service complaints and significant service problems.

Based on our analysis, the Board would like to commend the City, City staff, and cable TV franchisees for significantly improving cable TV service as compared to our last evaluation.

The Board developed seven recommendations based on its findings. They are summarized here.

1. Franchisees need to improve their customer service telephone response performance.

2. Negotiate the generation of periodic reports of customer complaints, solution response times, and identification of major issues with the franchisees.
3. Charter/Spectrum needs to address the relatively high level of dissatisfaction with its service
4. PEG channels need continuing support by the City and franchisees. Technology upgrades maintaining the level of quality and extending the breadth of service should be explored and supported. For example, because of “cable cutting” the PEG channels should be made available via applications running on Internet streaming appliances such as Roku, Amazon Fire, Apple TV, etc.
5. Charter/Spectrum should consider moving PEG channels to lower channel numbers to assure citizen awareness.
6. The City needs to better advertise the availability of LNKTv online to assure availability of this service to non-cable TV subscribers.
7. Because “cable cutting” is a real phenomenon, because it impacts the purpose and value of cable TV franchisees, and because Broadband is becoming the primary means of information exchange in our society, the City is encouraged to explore alternative franchise agreements or other contractual arrangements. Such agreements would help the City meet the needs of its citizens in addressing issues such as net neutrality.

II. Performance Evaluation Background and Authorization

Through non-exclusive franchise agreements, cable television service is made available to the citizens of Lincoln, NE, by three franchisees: Charter/Spectrum, Windstream/Kinetic, and Allo. These franchises allow providers to be in the City's right of way in exchange for a franchise fee and negotiated contractual provisions. One provider, Allo, also executed a Broadband franchise with the city with the purpose of providing Broadband services via optical fiber placed in the City right of way.

Among other things, the franchises include a provision for certain required channels. They are described as PEG (Public, Educational, and Governmental) access channels. The Public access channel is provided for the use of the citizenry to place their own programming on the cable line-up. The Educational access channel is used by the educational community for the same purpose. The Government access channel is available for governmental entities for similar purposes.

A Telecommunication/Cable Television Advisory Board (TCTAB) was created as part of the City's Cable Television ordinance. Board members are appointed by the Mayor and confirmed by the City Council. The Board is charged, within limitations imposed by Federal Communications Commission regulations, to review and advise on cable TV, PEG Channels, and telecommunications services in the City, to examine specific issues as ordered by the City Council or Mayor, and to report findings and recommendations.

The performance evaluation, which is the subject of this report, was directed by the TCTAB under the franchise agreement provisions allowing an evaluation at any time but no more frequently than annually. The evaluations must be open to the public. Topics included range from customer complaints through applications of new technologies.

Although the Cable franchise agreements are limited to Cable television, the Board, under its telecommunications mandate, decided to examine both Cable and Broadband Services during this evaluation. Providers with only a Cable franchise were given an opportunity to opt-out of the Broadband evaluation, however all providers participated.

The performance evaluation was conducted by a Performance Evaluation Committee which defined four process phases: definition, fact finding, analysis, and report writing.

The definition phase identified issues and concerns to be examined. The areas of interest included (not in priority order):

- Complaints and complaint reporting
- PEG channel support and distribution
- Cost of service
- Reliability of service and time to recover from failure
- Quality of service
- Level of competition
- Access to competitive services
- Services for persons of limited means

- Performance information regularly provided to the Board
- Quality and availability of services provided to city government and LPS
- Expansion of franchises to uniformly include broadband
- Support and reliability of Emergency Alert System

The fact finding phase included a formal telephone survey of Lincoln citizens conducted by a professional polling firm, an informal web survey, a questionnaire to franchisees developed by the Performance Evaluation Committee, examination of citizen complaints, and a public hearing.

With the help of city staff, in particular the guidance of Assistant City Attorney Steve Huggenburger, the data obtained were analyzed during the analysis phase.

This report was generated by the Performance Evaluation Committee with review by the full Board and city staff. The City's franchisees were given an opportunity to review the report before it was made public.

III. Process Elements

Elements of the performance evaluation were developed by the Performance Evaluation Committee in concert with city staff. CBG Communications conducted the online and telephone survey. Summaries of the questions and results are included in this section. Full questions and results are included in the report appendix. The process also included analyzing received email and paper mail comments and a public hearing.

III. a. Board questions on performance

Board questions were divided into two parts: Cable Television and Broadband. By the nature of electronic service provided, many of the questions are similar.

Cable Television Questions

1. Do you have a method of collecting, qualifying and quantifying complaint data from customers?
 - a. Allo uses surveys and a complaint tracking system to ascertain how well they are meeting customer needs. They included sample surveys and their rating scale.
 - b. Charter/Spectrum is committed to making contact with customers within 24 hours and to resolve issues within 7 days. No metrics were provided.
 - c. Windstream holds their entire team accountable for resolving issues promptly and professionally. No metrics were provided.
2. Have you had a large geographic (more than 100 customers) or long period (longer than 24 hours) service outages in the last 12 months?
 - a. Allo's system suffered one 56 hour, 38 minute outage. Their data transport platform is being upgraded to assure no repeat.
 - b. Charter/Spectrum has had no outages longer than 21.5 hours. They are aggressively working to reduce all outages.
 - c. Windstream reports no significant outages over the past 12 months.
3. How does your company implement the Emergency Alert System?
 - a. Allo complies with the EAS rules by monitoring NOAA, NET and XMRadio.
 - b. Charter/Spectrum reports that they provide stable and reliable monitoring and response through connection to a FEMA server and use of local radio sources. They include rigorous testing to assure reliability.
 - c. Windstream monitors multiple radio sources plus FEMA servers. They are in the process of implementing "blue alerts" for law enforcement. By redundant monitoring in two separate operations centers and periodic testing, they are able to show excellent reliability.
4. Please provide a map of your cable television coverage in Lincoln.
 - a. Allo provides maps online to the public which includes their upgrade plan and availability of new services. There is no variation in services available throughout the City.
 - b. Charter/Spectrum will make maps available to public officials only. They claim no variation in services across the City.

- c. Windstream included a map as an attachment to their response. They also claim no variation in services across the City.
5. Are there any impediments to providing services to any parts of the City or in providing uniform service quality throughout the City?
 - a. All providers indicated that there are no impediments.
6. What cable TV services do you offer to persons of limited financial means or with visual or hearing impediments?
 - a. Allo provides low cost services. They will implement aural menu response for people with visual impediments.
 - b. Charter/Spectrum also provides a low costs service. They indicated that they meet FCC requirements on closed captioning.
 - c. Windstream provides a basic tier service at low cost. Closed captioning is available. A large button remote is available for the visually impaired. Windstream indicated that they actively support customers with accommodation needs.
7. Please summarize your participation in and contributions to the Public, Education, and Government Access (PEG) Channels in Lincoln.
 - a. Allo provides full support for PEG channels.
 - b. Charter/Spectrum has invested over \$400,000 in studio equipment. They strongly support PEG channel development. PEG channels are assigned at high channel numbers (1300-1304).
 - c. Windstream provides high definition (HD) support for all PEG channels. In addition PEG channels are available via Internet streaming (IPTV). They pay their share of the cost to support the public access studio.
8. Are there issues that could be resolved or opportunities made available by modifying our franchise agreements?
 - a. Allo has no issues.
 - b. Charter/Spectrum is looking forward to renegotiate their franchise agreement based on improved technology and the new competitive cable TV landscape in Lincoln.
 - c. Windstream has no issues.

Broadband Questions

1. What Internet/Broadband bandwidths do you deliver within the City
 - a. Allo provides a maximum 1 Gb/s symmetric (up and down link) Internet speed to homes. This is upgradable. They also offer 300 Mb/s and 20 Mb/s at lower cost. Business/enterprise speeds range from 10 Mb/s to 100 Gb/s.
 - b. Charter/Spectrum indicated that the question is outside the scope of the City's authority under the cable franchise.
 - c. Windstream provides service up to 1 Gb/s.
2. Do you have a method of collecting, qualifying, and quantifying complaint data from customers?
 - a. Allo referred to their answer to the similar Cable TV question.

- b. Charter/Spectrum indicated that the question is outside the scope of the City's authority under the cable franchise.
 - c. Windstream has a method to track and analyze complaint data. Information about the complaints, however, is outside the scope of the City's authorization under the franchise agreement.
 3. Have you had large geographic (more than 100 customers) or long period (longer than 24 hours) service outages over the past 12 months?
 - a. Allo referred to their answer to the similar Cable TV question.
 - b. Charter/Spectrum indicated that the question is outside the scope of the City's authority under the cable franchise.
 - c. Windstream stated that the information requested is outside the scope of the City's authorization under the franchise agreement.
 4. Please provide a map of your Internet/Broadband service coverage in Lincoln.
 - a. Allo referred to their answer to the similar Cable TV question. They also indicated that they are testing residential service at 10 Gb/s.
 - b. Charter/Spectrum indicated that the question is outside the scope of the City's authority under the cable franchise.
 - c. Windstream stated that the information requested is outside the scope of the City's authorization under the franchise agreement.
 5. Are there any impediments to providing services to any parts of the City or in providing services of achievable quality to any parts of the City?
 - a. All providers indicated that there are no impediments.
 6. What Internet/Broadband services do you offer to persons of limited financial means?
 - a. Allo stated that they have a 20 Mb/s service available at \$45 per month. They also offer free/reduced cost service to people on assistance and students qualifying for free/reduced lunch.
 - b. Charter/Spectrum provides Internet Assist to eligible families, students and seniors. This service provides 30 Mb/s downlink and 4 Mb/s uplink.
 - c. Windstream indicated that they have a variety of packages available to fit customer needs. A very low cost service is available to existing voice lifeline customers.
 7. Does your company support Net Neutrality?
 - a. Allo fully supports net neutrality.
 - b. Charter/Spectrum supports an open Internet and does not block, slow down, or discriminate against lawful content. However, they reserve all rights without limitation with respect to this matter.
 - c. Windstream supports an open Internet and does not block or slow down traffic. They stated that the city cannot legally impose net neutrality requirements as a franchise condition.
 8. The City would like to assure that all Internet/Broadband service providers are treated equally by the City. In particular, the City would like to assure that providers are meeting City tax and fee obligations as well as municipal and industry service standards. In the converse, the City would like to assure that the City is meeting its

obligations to service providers for right of way access, etc. Would your company support a city requirement that all Internet/Broadband providers hold a City franchise?

- a. Allo, already a Broadband franchise holder, supports this requirement.
- b. Charter/Spectrum responded that, "Federal law prohibits the City from imposing a separate franchise agreement in connection with Charter's provision of internet service using it[s] cable system facilities already deployed. City should not require a separate franchise for other services."
- c. Windstream responded that, "All service providers using City rights-of-way should be required to obtain a franchise agreement, not just those in the internet/broadband service category. Federal law prohibits the City from imposing a separate franchising requirement of internet service using any facilities already deployed. Does not believe City should require a separate franchise for internet/broadband services."

III. b. Examination of citizen complaints/comments

Following is an unscientific compilation of synthesized messages sent by a self-selected sample of 65 cable subscribers via email and postal letter to the Mayor's Telecommunications/Cable Advisory Board. These communications were accepted during the period of the performance evaluation survey. The summary of complaints/comments are paraphrased and presented in descending order of frequency.

- The subscription prices are far too high for the services delivered. 17 comments
- Displeasure with taking away KETV, NBC, from Omaha and replacing it with KHAS, NBC, from Hastings. Subscribers have little interest in news from the Hastings area. 16 comments
- Poor, slow and incompetent customer service delivered by Spectrum. 7 comments
- Several channels not wanted or needed are included in packages. 7 comments
- Praise for Allo services. 6 comments
- Pixelating issues with both Allo and Spectrum. 5 comments
- Spectrum's incompetent techs. 3 comments
- Complaints about Allo's service. 3 comments

Other infrequent comments included sound and picture issues, box requirements, civil defense warnings, billing confusion, and other concerns.

III. c. Public hearing

A public hearing was held on the evening of September 4, 2018, in the City Council/County Board chambers of the County/City Building.

Emailed Comments

Emails were received from Herb Friedman and Vern Stewart both expressing dissatisfaction and displeasure with Charter/Spectrum service. Their issues had to do with cost and the difficulty of reaching technical and billing support via the company's call center.

Testimony and Discussion

Board member Helen Meeks indicated that she frequently hears complaints about the Charter/Spectrum \$29.99 start-up fee. There is evidently little indication as to whether it is just for new subscribers and how long the low fee would be in effect. Board chair Art Zygielbaum stated that he had heard several complaints about KETV, Omaha ABC television station, being dropped from the Charter/Spectrum lineup. In response, Charter/Spectrum representative Jeremiah Blake indicated that they were unable to come to an agreement with KETV to carry that station. He was unsure about the \$29.99 issue. Mr. Blake indicated that he would be happy to receive and deal with any complaints.

Mr. Rob Pickel was the only citizen to testify during the hearing. He indicated that he had been encouraged to sign up for Charter/Spectrum's online streaming application for his phone. The indication was that he would be able to watch his entire channel lineup from anywhere. He found that the "app" only worked when he was connected to the Charter/Spectrum Broadband network. It would not function, for example when he tried to watch something from work. When he tried to cancel the service, it took nine transfers of contacts at the call center before he reached someone who could help him.

In a more general matter, Mr. Pickel discussed the apparent difficulty providers were having in getting small cell Broadband service set up in Lincoln. His comments and concerns were addressed by David Young from the City.

Having only one live and two emailed comments at the public hearing stands in stark contrast to the public hearing held as part of the 2014 performance evaluation. There were several live testifiers, 58 emailed complaints and 51 complaints received via Facebook. This appears to indicate that Lincoln citizens are more satisfied with the state of cable TV availability, cost, and reliability than they were five years ago.

III. d. Telephone survey

Survey Overview

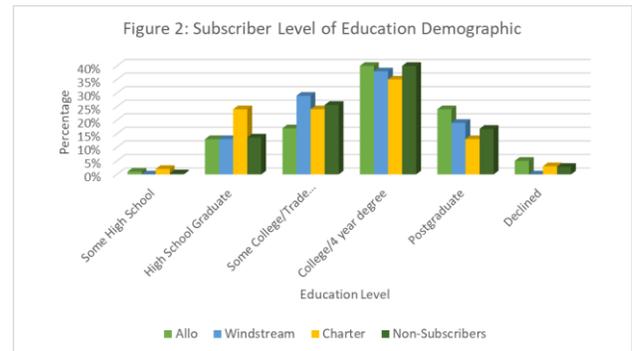
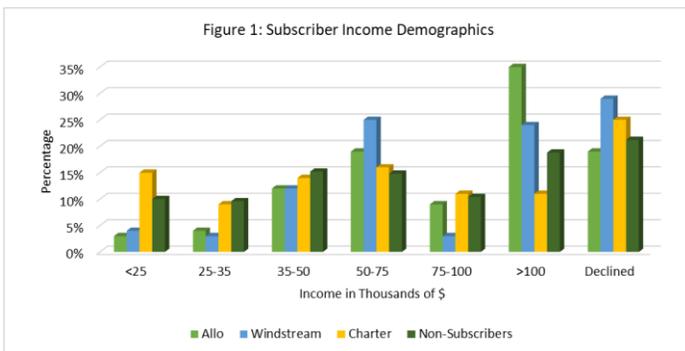
The City of Lincoln contracted with CBG Communications to perform a statistically valid and scientifically accurate telephone survey of Lincoln residents to ascertain needs and interests with regard to Cable Television and Broadband Internet. The resulting study documents citizen opinion on the performance of Cable TV franchisees (Charter/Spectrum, Windstream/Kinetic, and Allo) and major Broadband providers (Charter/Spectrum, Windstream and Allo). Note that Allo is the City’s only Broadband franchisee.

The telephone survey included both landline and cell phone numbers. It was conducted in October and November of 2018. The survey instrument – sets of questions – were developed by CBG Communications in cooperation with City staff and the City’s Telecommunications/Cable Advisory Board. The survey itself was conducted by Issues and Answers, Inc.

The narrative in this section is a summary of highlights. The complete CBG Communications report appears as Appendix C in this document. This section presents the findings in three parts: Cable TV, PEG (Public, Education, and Government) Access Channels, and Broadband.

The total sampled population was 689 residents. Of those, 303 were Charter/Spectrum customers. They were asked questions specific to Charter/Spectrum services. From the remaining 386 residents, a sample set of 146¹ was randomly selected from Allo and Windstream/Kinetic customers. These residents were asked questions specific to, respectively, Allo and Windstream/Kinetic. This total representative sample size provided a margin of error of +/- 3.7 percentage points.

The demographics of subscribers are indicated by the Figure 1, Income, and Figure 2, Education. There appears to be a slight bias toward Allo with respect to higher income and education.



Cable TV Overview

Of the survey respondents, 82% of those having television in their home are cable television subscribers. According to CBG Communications, this is much higher than the national average of 42%. Among the

¹ An additional 10 Allo/Windstream cable subscribers were added to this summary from an over sampling that was gathered through the survey.

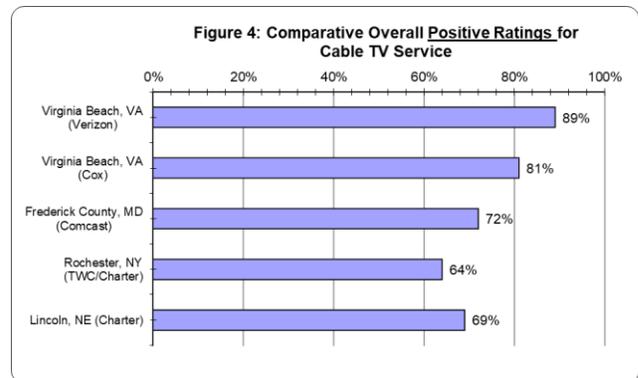
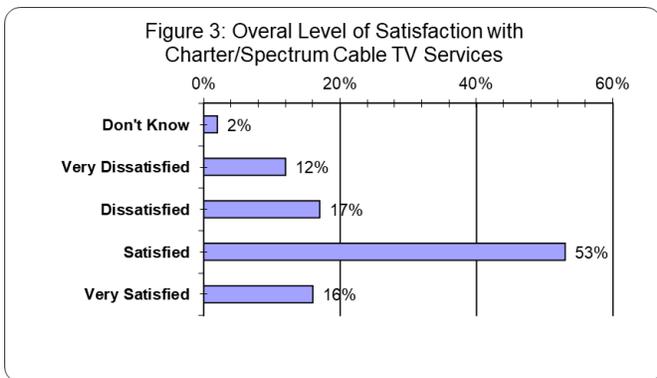
television subscribers, Spectrum/Charter accounted for 57% of the subscribers, Allo 13%, Windstream/Kinetic 12%, and satellite providers (Dish and DirecTV) 18%.

Charter/Spectrum Cable TV Quality Findings

On average, respondents have been Charter/Spectrum (and its predecessor, Time Warner Cable) subscribers for 11.4 years at their current address. Charter/Spectrum offers four tiers of service based on the number of channels. In order, the tiers garnered the following percentages of customers: “Basic”, 18%; “Select”, 39%; “Silver”, 25%; and “Gold”, 9%. The remaining were unsure.

The average monthly bill for customers was reported as \$150 per month which included cable TV, Broadband, and telephone. The range of bills was from \$13 to \$500 per month.

As shown in Figure 3, 69% of Charter/Spectrum subscribers were satisfied or very satisfied with their cable TV service. The figure also shows that 29% of customers were dissatisfied or very dissatisfied.



To better understand what this means, Figure 4 indicates how this level of satisfaction compares to those in other similarly sized municipalities. As can be seen, Lincoln customers of Charter/Spectrum have statistically significant lower satisfaction than in at least 2 of the 4 comparisons.

According to the survey, the satisfaction results among the dissatisfied customers (29% of the total) could be improved if rates were lowered (27%), there were fewer outages and breaks in service (23%), more programming choices were offered (13%), and phone-based customer service were improved (13%).

With regard to customer service, 75% of customers had occasion to call Charter/Spectrum. Of these calls, 41% were to report a loss of signal, cable outage, or picture/sound quality problems. Billing questions accounted for another 11%, and 6% called about problems with their digital set-top box. The remaining complaints included problems with on-screen guides, installation, Broadband and telephone.

The Federal Communications Commission (FCC) specifies that customers should not receive a busy signal “under normal operating conditions” greater than 3% of the time. Also, 90% of the time, the call must be answered within 30 seconds, including hold time, and no more than a 30 second transfer time. Similar to the other cities used for comparison, 9% of the calling Charter/Spectrum customers reported that they got busy signals and 45% of the calls were not answered within 30 seconds. Both of these figures fall short of the FCC standard.

Subscribers were asked if they experience Cable TV outages that lasted longer than 24 hours. Of the respondents, 13% had experience such outages. Among that group, high dissatisfaction was reported with the length of time to restore their services (68%).

In terms of other complaints, 35% of customers had issues with picture clarity or reception during the previous year. This is significantly higher than 3 of the 4 comparison cities. In dealing with these complaints, 47% of subscribers were satisfied with the length of time it took to resolve the issues.

Overall, Charter/Spectrum in Lincoln is not performing as well in terms of customer service and problem resolution as expected by FCC standards and by comparison with similar sized municipalities.

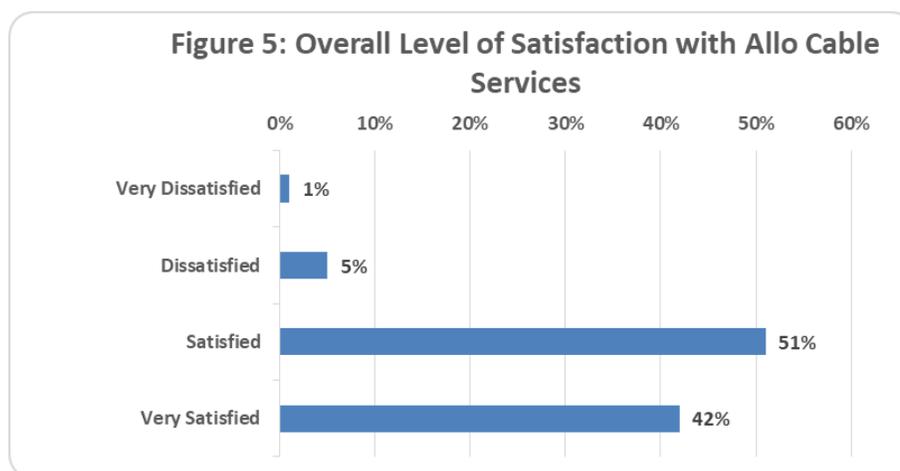
Allo Cable TV Quality Findings

Allo subscribers reported that they had been customers on the average for 1 year at their current address. Three tiers of service are available. In order, the tiers garnered the following percentages of customers: "Locals", 15%, "Basic" or "Basic" plus additional channels, 73%. The remaining were unsure.

As part of the research, Allo customers were asked if they had ever subscribed to Charter/Spectrum (or its predecessors). Of the respondents, 85% had been Charter/Spectrum subscribers. Members of that group indicated that they terminated their Charter/Spectrum affiliation because of cost (48%), service issues (26%), programming issues (6%) and billing problems (2%). Note that although cost was the overriding concern, 34% unsubscribed because of service, programming or billing issues.

On average, subscriber average monthly bill was \$165 per month which included cable TV, Broadband, and telephone. The range of bills was from \$50 to \$250 per month.

Figure 5 indicates that 93% of Allo customers were satisfied or very satisfied with their cable TV service. Only 6% indicated dissatisfaction. Referring to Figure 4, the level of positive satisfaction exceeds that for comparable municipalities.



The dissatisfied customers (6% of the total) indicated that their concerns would be resolved if programming issues were resolved (40%), there were fewer outages and interruptions in service (40%), and lower rates were offered (20%).

Calls to customer service were reported by 76% of Allo customers. The most common reason for the calls were signal outage (29%), and picture or sound quality problems (15%). Fifteen percent called in regards to Broadband, telephone or billing issues.

As stated earlier, but repeated for convenience, the FCC specifies that customers should not receive a busy signal “under normal operating conditions” greater than 3% of the time. Also, 90% of the time, the call must be answered within 30 seconds, including hold time, and no more than a 30 second transfer time. Among the Allo customers who called, 2% reported that they had received a busy signal. Of the remaining, 10% could not remember and 88% indicated no busy signal. With regard to answer time, 61% of respondents indicated that their calls were answered within 30 seconds. Of the remaining, 29% indicated that a response took longer than 30 seconds. Allo did very well with respect to busy signals. They did not, however, meet the FCC standard for 90% of calls answered within 30 seconds.

Signal outages for over 24 hours were an issue for 9% of responding Allo customers. Of the remaining, 1% didn’t know and 90% reported no significant outages. Among the group with outages, 14% were dissatisfied with the time it took for Allo to restore service.

With regard to other complaints, 26% had problems with picture clarity or reception during the previous year. This is about average among problems experienced by comparison cities. Among the group experiencing problems, 70% were satisfied or very satisfied, and 25% dissatisfied with the length of time taken to resolve the problem.

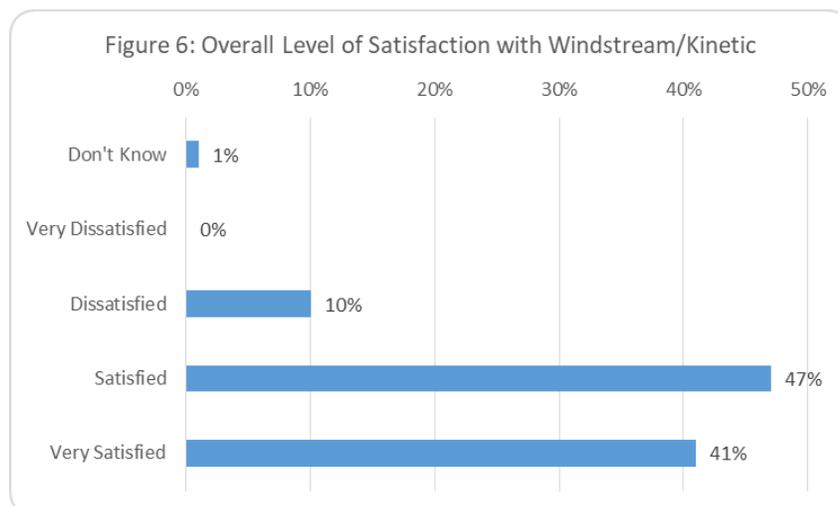
Overall, except for the time to answer service phone calls, Allo met FCC standards and did very well in comparison with similar sized municipalities.

Windstream/Kinetic Cable TV Quality Findings

On average, Windstream/Kinetic customers reported being subscribers for 3 years. In terms of service levels, the tiers garnered the following percentages of customers: “Basic”, 10%, “Select”, 46%, and “Preferred”, 32%. The remaining were unsure.

When asked if they had ever subscribed to Charter/Spectrum (or its predecessors), 62% said “yes”. Of that group, 79% unsubscribed because of cost, 7% service issues, and 7% billing issues/problems. Note that although cost was the overriding concern, 20% chose to leave Charter/Spectrum because of service, programming, billing, and more minor issues.

The average subscriber monthly cost was \$159 which included TV, Broadband and telephone. The range was \$65 to \$422 per month.



As depicted in Figure 6, 88% of Windstream/Kinetic customers were satisfied or very satisfied with their Cable TV service. Dissatisfied customers comprised 10% of the respondents. Referring back to Figure 4, this level of positive satisfaction exceeds that for comparable municipalities.

The 10% dissatisfied customers reported that they would have had their concerns resolved if they had fewer outages and interruptions in service (71%) and if they were offered a la carte channel selection (14%) and have more reliable Digital Video Recorders (DVRs).

Customer service telephone calls were made by 65% of Windstream/Kinetic customers. The most common reason was cable outage or loss of signal (25%), billing issues (9%), and picture or sound quality issues (7%). The remaining calls were due to Broadband, telephone, or Digital Terminal Adapter (DTA) issues.

As stated earlier, but repeated for convenience, the FCC specifies that customers should not receive a busy signal “under normal operating conditions” greater than 3% of the time. Also, 90% of the time, the call must be answered within 30 seconds, including hold time, and no more than a 30 second transfer time. Among the calling Windstream/Kinetic subscribers, 7% received busy signals, 2% could not remember, and 91% indicated no busy signal. With respect to answer time, 46% of customers reported that their call was not answered within 30 seconds. Of the remaining, 43% said “yes” and 11% did not remember. Windstream/Kinetic did not meet the FCC standard for busy signals or answer time.

Of the respondents, signal outages for more than 24 hours were a problem for 13%. The remaining 87% reported no such outages. Among those experiencing long outages, 55% were dissatisfied with the length of time it took to restore service.

Other complaints included picture clarity or reception difficulties. Among the respondents, 23% reported such difficulties while 77% did not. This is slightly lower than average among the comparison cities. Among the group experiencing difficulties, 57% were satisfied or very satisfied with the length of time taken to resolve the problem. Of the rest, 44% were dissatisfied. (Sum of 101% resulted from rounding-off to the nearest whole number.)

Windstream/Kinetic achieved good customer satisfaction compared to other municipalities. It did not, however, meet FCC standards with respect to service call busy signal and response time.

Public, Education, Government Access (PEG) Channels

Survey respondents were asked several questions about their awareness and viewership of the Public, Education, and Government Access (PEG) Channels in Lincoln. PEG channels are allowed under FCC guidelines but are not required. Their existence results from the franchise agreements between cable TV providers and the City.

Interestingly, 45% of Charter/Spectrum subscribers indicated awareness of PEG channels. In comparable municipalities about 73% of subscribers are aware of PEG channels. All customers showed a much higher awareness, 82%. Windstream/Kinetic customers also showed high awareness, 69%. Among non-cable TV subscribers, 34% indicated that they would like to be able to receive PEG channels.

Part of the difference in awareness among subscribers may be that PEG channels are in the 1300 channel number range on Charter/Spectrum and in the single or double digit range on Allo and Windstream/Kinetic.

Lincoln's LNKTV City channel garners a significant viewership. Among Charter/Spectrum subscribers aware of PEG channels 19% view LNKTV City weekly (35% watch LNKTV City at least monthly). In comparison, during the same week tested of the top three programs watched: FOX (The OT and World Series), NBC (Sunday Night Football); and CBS (The Big Bang Theory), had viewership of 16%, 13% and 12%, respectively. Given over 300 channels available in our market, it is not likely that any particular channel will pick up a majority of viewers. In fact, major networks see viewership of less than 30% on a weekly basis. Having a 19% weekly viewership, then, is considered very healthy. Lincoln residents are definitely interested in and using LNKTV City.

LNKTV Health is viewed regularly (at least monthly) by 17% of Charter/Spectrum subscribers aware of PEG Channels. Educational Access Programming is watched at least monthly by 20% of cable subscribers aware of the PEG channels. Again, these numbers are favorably comparable to many popular commercial channels and programs.

Among all Charter/Spectrum cable subscribers, 84% thought that PEG channels were important (33% very important, 26% important, and 25% somewhat important). Asked about the ability to watch PEG programming on demand, 58% of Charter/Spectrum cable respondents that watched PEG Channels at least once a month indicated this is valuable while 29% indicated little interest.

Charter/Spectrum subscriber willingness to pay for PEG Channels is another indication of the importance of these channels in Lincoln. Among respondents, 61% stated willingness to pay monthly to support PEG channels. The average amount they were willing to contribute was 12% of the total bill. Also, 78% of Charter/Spectrum respondents indicated that it was important that Charter/Spectrum continue to provide support for PEG Channels as part of the franchise renewal discussion now underway.

Disappointingly, only 23% of all survey respondents were aware that LNKTV availability online.

Broadband Overview

Lincoln residents are reasonably well connected to the Internet. Among all respondents, 13% did not have Internet access at their homes. This is slightly higher than the 10% reported by the Pew Internet American Project for all Americans. With respect to each franchisee, 39% subscribe to Charter/Spectrum Broadband services, 25% to Windstream/Kinetic, and 15% to Allo. (Note that these numbers were obtained in late 2018. Allo was still in its roll-out phase.)

Overall, 75% of respondents with Internet at home were satisfied with the choice of Internet providers in Lincoln. In addition, 75% indicated that they were satisfied with the speed of their Internet service. Among the respondents with Internet at home, 83% were satisfied with the reliability of their service while 33% were dissatisfied with the cost of Internet service.

A majority of respondents with Internet at home, 53%, use video streaming services such as Netflix, Hulu, Amazon Prime, SlingTV, etc. Of these respondents, 54% were also cable TV subscribers and 47% were not.

Cable Cutting

Cable cutting or “cord cutting” refers watching television by using over-the-air broadcast television and video streaming via the Internet instead of a cable TV service. Interest in cable cutting appears dependent upon age group. The largest group of cable subscribers with Internet at home are in the 65+ category (48%). Only 27% of that group has considered cable cutting.

The smallest number of cable subscribers is the 18-34 year old age group. This group represents 4% of the customers who have cable TV and Internet at home. Of this group, only 7% have considered cable cutting. Many in this age group use their cell phones for Internet connectivity rather than a wired or fiber connection. So cable TV makes sense for their viewing.

Those in the 35-64 year old group make up 36% of those cable subscribers with Internet at home. Within that group, 51% have considered cable cutting. This matches national statistics. This age group is the primary reason that cable TV subscribership has been steadily dropping at 2% per year nationally. Of course, this group will mature into a somewhat tech savvy 65+ age range.

Respondents were asked if they had to choose only one service, either Broadband or cable TV, what would they pick? The percentage of Charter/Spectrum subscribers with Internet at home who would pick Broadband is 44%. Among Allo subscribers, 56% indicated they would pick Broadband. Windstream/Kinetic customers had a smaller percentage, 45%.

Emergency Information

Providing emergency information is an important duty of City government. While it was thought that cable TV is a major vehicle for informing the public, questions were asked during the survey to confirm or weaken this perception. Of the respondents, 34% reported that TV was their primary source of emergency information. Cellphones (31%), landline phones (11%), radio (9%), Internet (3%) and the Emergency Siren System (2%) accounted for the remainder.

In summary, TV and cellphones were the source of emergency information for over 2/3 of the respondents.

Knowledge of Telecommunications/Cable Advisory Board

The City’s Telecommunications/Cable Advisory Board has been available to advise City government and to field complaints from citizens for many years. One of the survey questions asked if the respondent knew that the Board was available to receive complaints about cable TV service and to help resolve problems. Unfortunately, 65% of all cable subscriber respondents (Charter/Spectrum, Allo, and Windstream) did not know about the Board. This is clearly something the City and the Board need to address.

III. e. Online survey

Online Survey Overview

An online survey form was made available on the City website to compliment the telephone survey. Links to this form were made available at local libraries. Participation was encouraged via press releases which were broadcast by local media. In effect, the effort created a digital town hall enabling citizens to provide feedback about their cable TV service. This survey is not a scientific random sample. People taking part were self-selected. Because library computers had the link to the survey, no restrictions were placed on multiple submissions from a single computer. In all, 19% of the responses were from duplicative Internet Protocol (IP) addresses.

Eight hundred and thirty-nine citizens shared their cable television experience through the online survey. In addition, 27 submitted hand-written forms for a total of 866 citizens sharing their cable television experience.

By income, 25% of the submitters were in households earning \$100,000 or more annually, 21% between \$75,000 and \$100,000, 25% between \$50,000 and \$75,000, 15% between \$35,000 and \$50,000, 8% between \$25,000 and \$35,000 and 6% less than \$25,000. With respect to education, 34% had some college, 38% held college degrees and 21% held advanced or graduate degrees. The remaining 7% held only high school diplomas.

Respondents having Broadband connections provided by a cable television provider made up 97% of the group. Charter/Spectrum Broadband subscribers comprised 48% of the group, Allo, 36%, and Windstream/Kinetic, 13%. Reported monthly costs for these services were similar to those reported in the telephone survey.

Charter/Spectrum Cable TV Findings

Respondents who never subscribed to Charter/Spectrum cable TV were asked to identify the reasons for never having subscribed. The major response was "I use the Internet instead of watching cable TV", 65%. This was followed by cost, 56%, an unfavorable view of Charter/Spectrum, 36%, and other issues such as preference for free over-the-air television.

Those who once subscribed to Charter/Spectrum (or its predecessors) were asked why they dropped their subscriptions. The major reason was cost, 89%. "I started using the Internet to watch TV" accounted for 47%. The remaining issues were service, 35%, preference for free over-the-air TV, 22%, billing issues, 21%, and several more minor concerns.

Nineteen percent of those who did not subscribe to Charter/Spectrum cable TV did subscribe to Charter/Spectrum Broadband.

Those submitting surveys who were Charter/Spectrum customers had, the average, subscribed for 11.6 years. They reported being dissatisfied, 38%, or very dissatisfied, 28%, with their service. The remaining were very satisfied, 3%, or satisfied, 30%. The implication is that 2/3 of the respondents were not happy with their Charter/Spectrum service. Of course, this is a self-selected group which would likely be prone to be biased toward people with unresolved concerns.

Of the dissatisfied 2/3, 84% indicated that things would be improved if services cost less, 59% if a la carte channel selection were available, and 55% if there were fewer service interruptions. Interestingly, 39% wanted to see more competition and less monopoly.

Service telephone calls were made by 83% of the respondents. Busy signals were received by 9% of the submitters. The calls of 17% of the group were answered within 30 seconds. Of the remaining, 68% had their calls unanswered within 30 seconds and 15% didn't remember. As with the telephone survey, Charter/Spectrum does not meet the FCC standards on busy signals and response time.

The portion of respondents reporting cable outages of more than 24 hours was 24%. Satisfaction in the length of time to restore service was poor. Only 15% were satisfied. The majority, 83%, were dissatisfied or very dissatisfied.

Allo and Windstream/Kinetic Quality Findings

Among the respondents who subscribed to Allo, 57% were very satisfied, 32% satisfied, and 7% dissatisfied or very dissatisfied. Subscribers to Windstream/Kinetic showed a slightly less positive response. Those very satisfied made up 25% of the group, 41% satisfied, 16% dissatisfied, and 9% very dissatisfied. In summary 89% of Allo customers and 66% of Windstream/Kinetic customers appear happy with their service. A quarter of the Windstream/Kinetic customers and less than 10% of Allo customers were not happy with their service.

Public, Education, Government Access (PEG) Channels

In a marked difference with the telephone survey, 72% of Charter/Spectrum subscribers were aware of the PEG channels. Of those subscribing to other services or no cable television service, 79% were aware of the PEG channels. As with the telephone survey, the respondents valued the PEG channels and watched them in a greater proportion than many commercial programming channels.

Broadband Overview

Ninety-eight percent of the respondents had Broadband access at home. Of that group 48% were subscribed to Charter/Spectrum, 36% had their services provided by Allo and 13% by Windstream/Kinetic. The remainder were using a satellite or Wide Area Wireless provider.

Satisfaction with Broadband was relatively high. Among the respondents 72% were satisfied or very satisfied with the reliability of service. Asked about Broadband speed, 71% were satisfied or very satisfied. Two-thirds of the reports expressed satisfaction with the choice of Broadband providers in Lincoln. The highest negative response was that 51% were dissatisfied with the cost of Broadband service.

Cable Cutting

Four out of five respondents (79%) said they considered cable cutting. Over half indicated they would make the change within the next two years.

While not scientifically rigorous, the online survey did provide insight into what the most vocal portion of our citizens thinks about Lincoln's cable TV and Broadband providers.

VII. Board Findings

The 2018-2019 Performance evaluation showed significantly different results from that in 2014. In that earlier report, the citizens of Lincoln expressed significant dissatisfaction and concern with the City's single cable TV franchisee at that time. Many complaints were filed electronically, by mail, and in public testimony.

In contrast, during the current evaluation, there were relatively few complaints received through any medium or identified through the telephone and online surveys. The Board finds that, for the most part, Lincoln's cable TV and Broadband subscribers are largely satisfied with the service they are receiving and in having three franchisees to choose amongst.

The Board commends the City, City staff, and cable TV franchisees for significantly improving the level of cable TV service available to the citizens of Lincoln as compared to our last performance evaluation. Competition has benefited the City by providing choice and creating effective consumer pressure for better service.

There are, however, issues to be addressed. We will consider those in three parts, cable TV, PEG Channels, and Broadband.

Cable TV

All three franchisees indicated that there were no problems or issues with regard to their relationship with City government. No specific issues were identified nor requests for change made. Each franchisee expressed support for PEG channels and commitment to providing excellent cable TV service to Lincoln's citizens.

Allo was very open in providing information about the metrics they use to evaluate customer concerns. Charter/Spectrum and Windstream/Kinetic provided only statements indicating strong commitment to addressing such concerns. The Telecommunications/Cable Advisory Board was established, in part, to ascertain how well our franchisees were meeting customer needs. Without periodic reporting on significant customer concerns, it is difficult to do that. We have not regularly received reports from any franchisee about significant problems among customers.

Citizens expressed concern about cable TV subscription costs being too high. And there were a modicum of comments expressing a desire for a la carte channel selection. This was not unexpected.

Satisfaction with service reliability and quality was high among all franchisees. However, 29% of Charter/Spectrum customers were dissatisfied or very dissatisfied with their service. This is a high level of dissatisfaction in comparison with other municipalities sized similar to Lincoln. It was also high compared to the same metric for Allo (6%) and Windstream/Kinetic (10%).

All franchisees failed to meet one or both FCC standards for response to customer service telephone calls. Charter/Spectrum and Windstream/Kinetic failed to meet the standard requiring that no more than 3% of calls result in a busy signal. Busy signals were received by 9% of Charter/Spectrum customers and 7% of Windstream/Kinetic customers. Only 2% of Allo respondents received a busy signal. All franchisees failed to meet the FCC standard for having the phone answered, including hold and transfer time, within 30 seconds 90% of the time. Respondents indicated 45% of Charter/Spectrum, 29% of Allo, and 46% of Windstream/Kinetic calls were not answered within 30 seconds.

PEG Channels

The telephone and online surveys both indicated strong public interest in and support for the City's Public, Education, and Government Channels. In fact, citizens aware of the PEG channels watched them at a level that exceeded the viewership for many commercial offerings. For Charter/Spectrum customers (more detail was gathered for this franchisee because of the upcoming franchisee renewal negotiations) 84% thought PEG channels were important and 61% were willing to pay an additional amount up to 12% of their total bills for them. For the first time, the Board has real evidence that PEG channels are valued by Lincoln's citizens and well-used by them.

The issue of awareness, however, provides a concern. Customers of Allo (82%) and Windstream/Kinetic (69%) were aware of the PEG channels. Only 45% of Charter/Spectrum customers indicated such knowledge. While there may be other reasons, the Board notes that PEG channels are assigned to very high channels on Charter/Spectrum (1300+) while they are assigned single or double digit numbers on Allo and Windstream/Kinetic.

Another concern is that only a small number of subscribers to all franchisees, 23%, were aware that LNKTv is available online.

Broadband

Lincoln's citizens seem to be reasonably well connected to the Internet. Seventy-five percent of respondents indicated satisfaction with the choice of Internet providers and Internet speed. A large majority (83%) were satisfied with Internet reliability. Overall, the City is doing well.

In keeping with the national trend, half of respondents use the Internet for video streaming from services like Netflix, Amazon Prime, etc. A large percentage, especially in the 35-64 year old age group where it was over half, indicated interest in "cable cutting." Nationally, cable TV loses 2% of its customers per year to cable cutting.

Given that Lincoln's citizens are in line with this national trend, an increasing number of cable TV subscribers will drop their subscriptions and use over-the-air television and Internet video streaming to meet their viewing needs. This draws into question the value of cable TV franchises over the long term. We note that Lincoln has a Broadband franchise agreement with Allo but does not have such an agreement with our other two cable TV/Broadband providers.

The Board is concerned that cable TV franchises will become irrelevant and that the City will lose its current ability to control and appropriately charge for use of the City's right-of-way without having Broadband franchises negotiated with all such providers. The franchise has provided a powerful tool to ensure that the City meets its obligations to our partners. It also provides a means to influence the quality of services provided, and to a much lesser extent, the cost of such services.

We are particularly concerned about the issue of "net neutrality" as an example. Our Broadband franchise agreement with Allo includes net neutrality. Charter/Spectrum, without such a franchise indicates that they will not throttle or unfairly disable any particular Internet sites. But they also state that they have the right to change this position. Windstream/Kinetic supports an open Internet and does not block or slow down traffic. They also argued that the city cannot legally impose net neutrality as a franchise requirement.

Both Charter/Spectrum and Windstream/Kinetic reported that Federal law prohibits the City from imposing a separate franchise agreement in connection with using its already deployed system to provide Internet services. They both indicated that they are not interested in a Broadband franchise.

VIII. Board Recommendations

1. All franchisees need to improve their customer service telephone response performance. The FCC standards for busy signals and answer time were established in consultation with the cable TV industry. These standards should be achievable. We suggest that a committee involving Board members, franchisee representatives, and the Office of the City Attorney be formed to address customer service standards, franchisee compliance, and, if necessary, remedies.
2. The Board and the Assistant City Attorney supporting us should negotiate the generation of periodic reports on customer complaints, solution response times, and identification of major issues with each of the franchisees.
3. Charter/Spectrum needs to respond to the high level of dissatisfaction with their service. The Board acknowledges that this problem may find a solution through consumer choice of a different provider, but we acknowledge that the City is best served by letting citizens choose among multiple outstanding providers.
4. The PEG channels need continuing support by the City and our franchisees. Given the high level of viewership, the PEG channels provide services that are valued by our community. Technological upgrades which maintain the high level of quality we now have and which extend the breadth of those services need to be explored and supported. For example, because of “cable cutting”, we deem it important that the City’s PEG channels be available via applications designed to be used on streaming video Internet appliances such as Roku, Amazon Fire, Apple TV, and similar devices.
5. Charter/Spectrum and the City must work to increase awareness of PEG channels among Charter/Spectrum subscribers.
6. The City needs to better advertise the availability of LNKTv online via the Internet. Citizens who are not cable TV subscribers need to be aware of these valuable services.
7. Because “cable cutting” is a real phenomenon, because it impacts the purpose and value of cable TV franchisees, and because Broadband is becoming the primary means of information exchange in our society, the City is encouraged to explore alternative franchise agreements or other contractual arrangements. Such agreements would help the City meet the needs of its citizens in addressing issues such as net neutrality. We suggest that the Board form a subcommittee in concert with City staff to examine this issue and make recommendations to the full Board and the City within the next year.

IX. Appendices

- a. Board questions and responses (Page A1)**
- b. Citizen complaints (Page B1)**
- c. Survey results (Page C1)**